

SANTA BARBARA COUNTY ECONOMIC FORECAST

Santa Barbara County, located immediately northwest of Ventura County, is dominated by three principal economic activities: tourism, Vandenberg Air Force Base, and education. It has a population of 436,500 people and a total of 198,100 wage and salary jobs. The income per capita is \$52,398 and the average salary per worker is \$57,649.

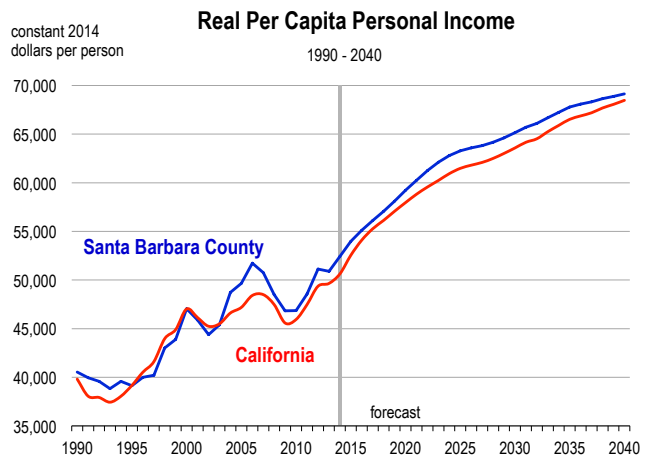
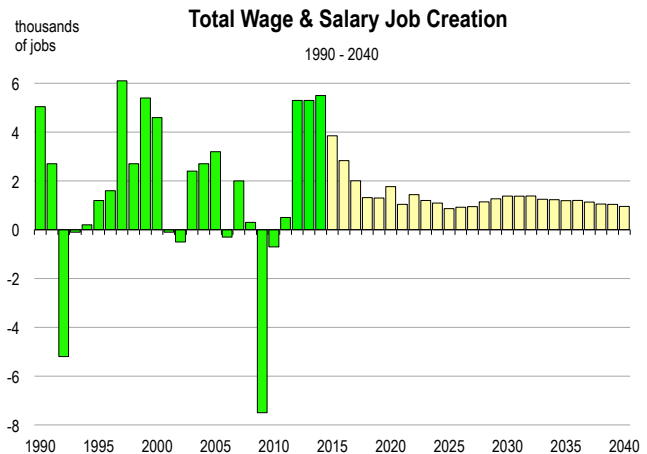
Across Southern California, employment increased by 2.6 percent in 2014. In Santa Barbara County, 5,500 wage and salary jobs were created, representing a growth rate of 2.9 percent. The unemployment rate improved substantially, falling from 7.1 percent in 2013 to 6.1 percent in 2014.

In 2014, most major sectors were characterized by positive job growth. The largest gains were observed in agriculture (+1,700 jobs), education and healthcare (+1,200 jobs), and leisure and hospitality (+1,100 jobs). The largest losses were in professional and business services (-400 jobs), and financial activities (-100 jobs).

Between 2009 and 2014, the population of Santa Barbara County grew at an average rate of 0.7 percent per year. This growth was due entirely to the natural increase (new births), as overall net migration was negative. During the forecast period, the majority of population growth will occur in the northern portion of the county. Because of restrictions on new housing development, population growth in the southern portion of the county will be limited.

FORECAST HIGHLIGHTS

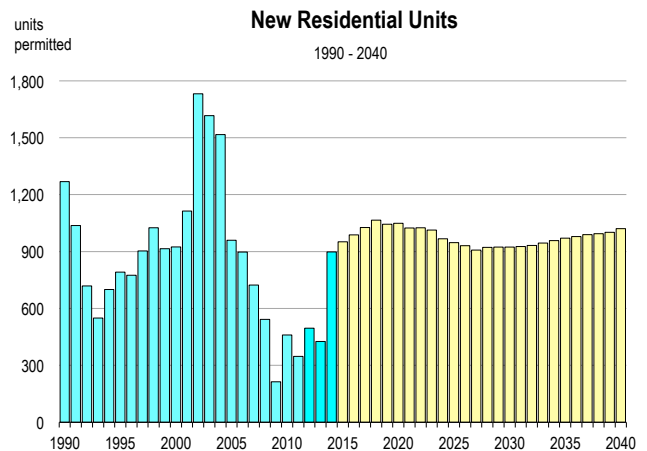
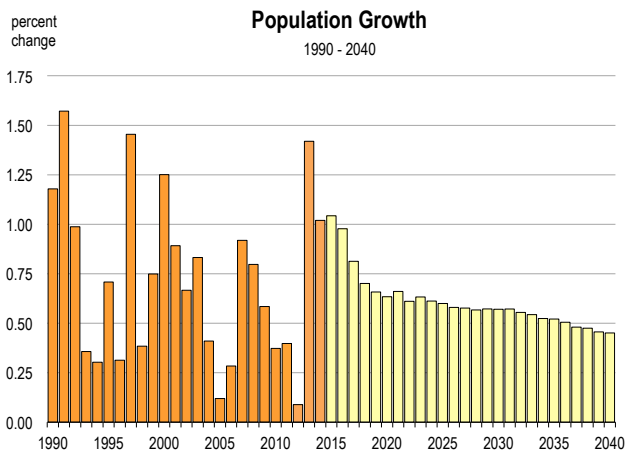
- In 2015, total employment is expected to increase by 1.9 percent. Over the 2015-2020 period, growth is expected to average 0.9 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast horizon. In Santa Barbara County, inflation-adjusted salaries are forecasted to rise at a rate of 1.4 percent per year from 2015 to 2020.
- Over the 2015-2020 period, the largest employment gains will be observed in professional services, government, leisure services, education and healthcare, and agriculture. Combined, these industries will account for 77 percent of net job creation in the county.
- Population growth will remain relatively moderate. Growth in the 2015-2020 period will average 0.8 percent per year.
- Net migration will be positive over the 2015-2020 period, with an average of 360 net migrants entering the county each year. Northern Santa Barbara County will be characterized by positive net migration, while Southern Santa Barbara County will lose residents through out-migration.
- Real income per capita is expected to rise at an average annual rate of 1.9 percent from 2015 to 2020.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.9 percent per year during the 2015-2020 period.
- From 2015 to 2020, industrial production will rise by an average of 3.0 percent per year.
- Farm production is forecasted to increase by 1.2 percent per year between 2015 and 2020. The principal crop in the county is the strawberry.



Santa Barbara County Economic Forecast

2006-2014 History, 2015-2040 Forecast

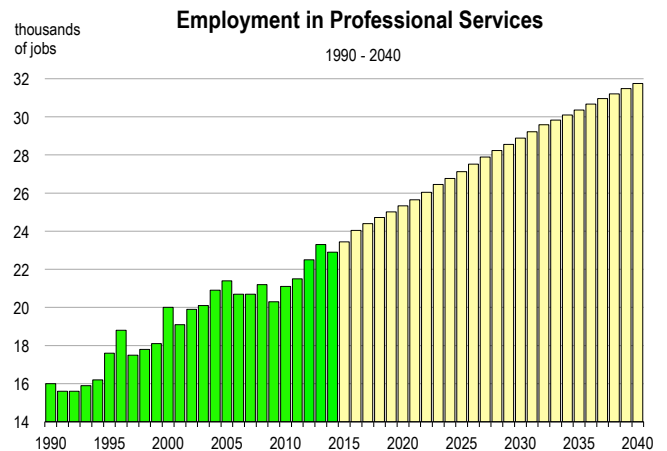
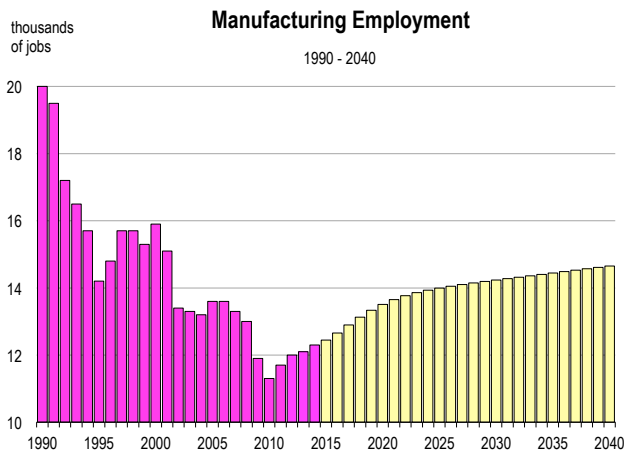
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	412,853	-2,145	373.2	141	897	\$6.12	\$18.54	\$51,720	4.3	1,170	3.61	4.0
2007	416,648	251	370.6	142	723	\$6.06	\$18.96	\$50,758	3.3	1,229	3.79	4.4
2008	419,970	-107	369.4	141	543	\$5.88	\$18.91	\$48,508	3.5	1,224	3.90	5.5
2009	422,423	-877	367.9	142	213	\$5.10	\$18.21	\$46,826	-0.8	1,346	3.42	8.2
2010	423,999	-1,515	368.1	142	460	\$5.30	\$18.51	\$46,845	1.2	1,308	3.43	9.7
2011	425,685	-1,179	366.1	143	347	\$5.71	\$19.77	\$48,550	2.7	1,247	3.68	9.4
2012	426,063	-2,372	366.7	143	496	\$6.04	\$21.27	\$51,135	2.0	1,321	3.97	8.3
2013	432,110	3,336	372.7	143	426	\$6.32	\$21.70	\$50,885	1.1	1,454	3.66	7.1
2014	436,516	1,554	386.4	144	898	\$6.65	\$22.87	\$52,398	1.3	1,463	3.79	6.1
2015	441,068	1,701	392.9	145	951	\$7.09	\$24.03	\$53,981	0.9	1,468	3.87	5.0
2016	445,379	1,387	397.9	146	988	\$7.53	\$25.51	\$55,111	3.0	1,475	3.96	4.3
2017	449,000	621	401.5	147	1,027	\$7.90	\$26.99	\$56,128	3.1	1,492	4.07	4.2
2018	452,147	113	403.9	148	1,066	\$8.24	\$28.42	\$57,067	2.8	1,499	4.20	4.1
2019	455,121	-99	406.4	149	1,044	\$8.57	\$29.90	\$58,097	2.7	1,518	4.34	4.1
2020	458,006	-205	409.5	149	1,049	\$8.95	\$31.51	\$59,210	2.8	1,557	4.48	4.0
2021	461,032	-64	411.5	150	1,024	\$9.32	\$33.19	\$60,246	2.9	1,555	4.63	4.1
2022	463,848	-291	414.1	151	1,025	\$9.73	\$34.95	\$61,248	2.9	1,581	4.77	4.0
2023	466,783	-171	416.3	152	1,013	\$10.08	\$36.54	\$62,111	2.5	1,589	4.92	4.0
2024	469,640	-247	418.4	153	967	\$10.39	\$38.04	\$62,791	2.4	1,607	5.10	4.0
2025	472,457	-281	420.1	154	947	\$10.71	\$39.56	\$63,278	2.6	1,620	5.25	4.0
2026	475,197	-352	421.9	155	931	\$11.02	\$41.03	\$63,576	2.7	1,636	5.41	4.0
2027	477,937	-335	423.7	155	908	\$11.33	\$42.52	\$63,812	2.7	1,650	5.59	4.0
2028	480,647	-326	425.8	156	922	\$11.67	\$44.05	\$64,159	2.5	1,666	5.77	4.0
2029	483,398	-267	428.2	157	924	\$12.00	\$45.63	\$64,614	2.3	1,681	5.97	4.0
2030	486,157	-229	430.6	158	924	\$12.35	\$47.26	\$65,137	2.2	1,697	6.16	3.9
2031	488,937	-195	433.1	159	926	\$12.68	\$48.93	\$65,696	2.1	1,713	6.36	3.9
2032	491,649	-197	435.6	159	932	\$13.03	\$50.62	\$66,103	2.3	1,729	6.55	3.9
2033	494,321	-193	437.8	160	945	\$13.37	\$52.31	\$66,688	1.9	1,745	6.76	3.9
2034	496,911	-235	440.1	161	958	\$13.73	\$54.11	\$67,244	2.1	1,762	6.98	3.9
2035	499,501	-241	442.2	162	971	\$14.11	\$56.01	\$67,773	2.2	1,778	7.20	3.9
2036	502,023	-255	444.4	163	979	\$14.53	\$58.00	\$68,088	2.6	1,795	7.44	3.9
2037	504,435	-252	446.4	164	989	\$14.96	\$60.03	\$68,323	2.7	1,812	7.66	3.8
2038	506,831	-273	448.3	164	994	\$15.38	\$62.09	\$68,647	2.5	1,828	7.89	3.8
2039	509,143	-299	450.2	165	1,001	\$15.84	\$64.25	\$68,883	2.7	1,846	8.11	3.8
2040	511,438	-303	452.0	166	1,021	\$16.29	\$66.43	\$69,132	2.6	1,863	8.34	3.8

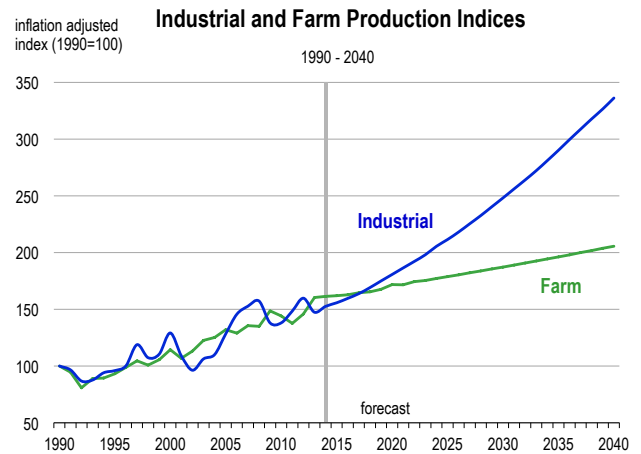
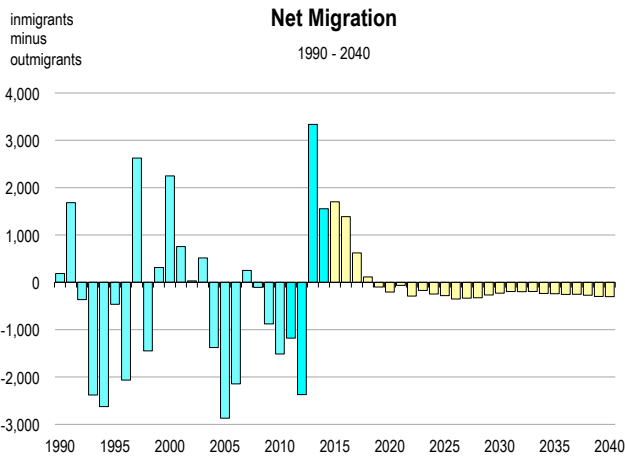
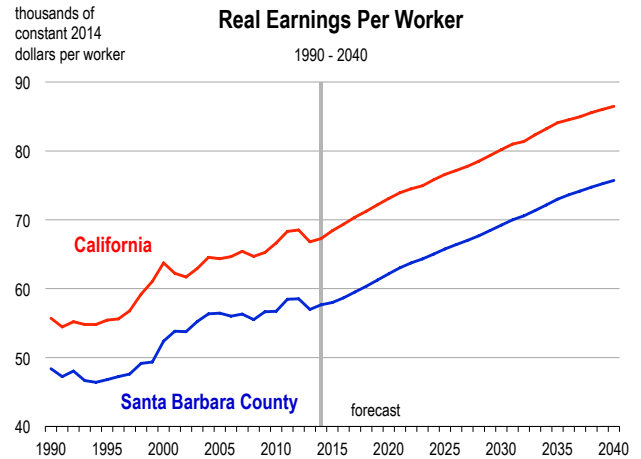
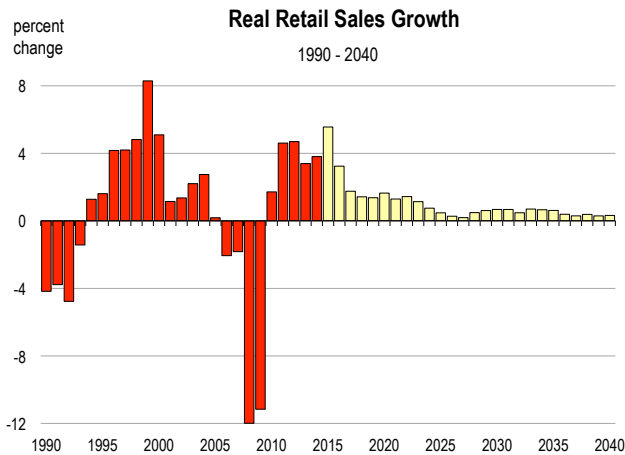


Santa Barbara County Employment Forecast

2006-2014 History, 2015-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	187.4	15.4	10.5	13.6	3.1	25.2	8.7	20.7	4.0	20.5	22.7	36.1
2007	189.4	16.1	10.5	13.3	3.0	25.1	8.2	20.7	3.9	21.5	22.9	37.0
2008	189.7	17.1	9.7	13.0	3.1	24.6	7.8	21.2	3.7	21.9	23.1	37.4
2009	182.2	17.6	7.8	11.9	3.0	22.8	6.7	20.3	3.5	22.2	22.1	37.8
2010	181.5	18.6	7.0	11.3	2.8	22.0	6.4	21.1	3.5	22.4	21.9	38.2
2011	182.0	18.2	6.8	11.7	2.8	21.8	6.5	21.5	3.6	22.9	22.1	37.8
2012	187.3	18.8	6.8	12.0	3.1	22.7	6.5	22.5	4.2	23.5	22.9	37.8
2013	192.6	19.3	7.2	12.1	3.4	23.5	6.5	23.3	4.3	24.2	24.4	37.8
2014	198.1	21.0	7.4	12.3	3.6	24.1	6.4	22.9	4.4	25.4	25.5	38.3
2015	202.0	21.1	8.0	12.4	3.6	24.7	6.6	23.4	4.4	25.9	26.2	38.6
2016	204.8	21.2	8.3	12.7	3.6	25.0	6.8	24.0	4.4	26.4	26.6	38.9
2017	206.8	21.4	8.4	12.9	3.5	25.1	6.8	24.4	4.4	26.7	26.9	39.3
2018	208.1	21.4	8.2	13.1	3.5	25.2	6.9	24.7	4.4	27.0	27.1	39.5
2019	209.4	21.7	8.0	13.3	3.5	25.4	6.9	25.0	4.4	27.2	27.2	39.8
2020	211.2	22.2	8.0	13.5	3.5	25.5	6.9	25.3	4.4	27.5	27.2	40.2
2021	212.2	22.1	8.0	13.7	3.5	25.5	6.9	25.6	4.4	27.7	27.2	40.5
2022	213.6	22.4	8.1	13.8	3.5	25.6	6.9	26.0	4.4	27.9	27.3	40.8
2023	214.8	22.6	8.1	13.9	3.4	25.7	6.9	26.5	4.4	28.1	27.3	41.0
2024	215.9	22.8	8.2	13.9	3.4	25.7	6.9	26.8	4.4	28.3	27.3	41.2
2025	216.8	22.9	8.1	14.0	3.4	25.8	6.9	27.1	4.4	28.5	27.3	41.2
2026	217.7	23.1	8.1	14.0	3.4	25.8	6.9	27.5	4.4	28.8	27.4	41.2
2027	218.7	23.3	8.0	14.1	3.4	25.9	6.9	27.9	4.3	29.0	27.4	41.2
2028	219.8	23.4	8.0	14.1	3.5	26.0	6.9	28.2	4.3	29.3	27.5	41.3
2029	221.1	23.6	8.1	14.2	3.5	26.1	6.9	28.6	4.3	29.6	27.7	41.5
2030	222.5	23.8	8.1	14.2	3.5	26.2	6.9	28.9	4.3	29.8	27.8	41.7
2031	223.8	24.0	8.1	14.3	3.5	26.3	6.9	29.2	4.3	30.1	28.0	42.0
2032	225.2	24.1	8.1	14.3	3.5	26.5	6.9	29.6	4.3	30.4	28.1	42.2
2033	226.5	24.3	8.1	14.4	3.5	26.6	6.9	29.8	4.3	30.6	28.2	42.4
2034	227.7	24.5	8.1	14.4	3.5	26.8	6.9	30.1	4.3	30.9	28.4	42.7
2035	228.9	24.7	8.1	14.4	3.5	26.9	6.9	30.4	4.3	31.1	28.5	42.9
2036	230.1	24.8	8.1	14.5	3.5	27.0	6.9	30.7	4.3	31.4	28.7	43.0
2037	231.2	25.0	8.1	14.5	3.5	27.0	6.9	31.0	4.2	31.6	28.8	43.2
2038	232.3	25.2	8.1	14.6	3.5	27.1	6.9	31.2	4.2	31.9	28.9	43.4
2039	233.3	25.4	8.1	14.6	3.5	27.1	6.9	31.5	4.2	32.1	29.1	43.5
2040	234.3	25.5	8.1	14.7	3.5	27.2	6.9	31.8	4.2	32.3	29.2	43.7





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	9.8%
Expected job growth:	4.6%
Fastest growing jobs sector:	Manufacturing
Expected personal income growth:	13.9%

Expected population growth:	3.8%
Net migration to account for:	10.7%
Expected growth in number of vehicles:	4.2%

Demographics (2015)

Unemployment rate (March 2015):	5.3%
County rank* in California (58 counties):	13th
Working age (16-64) population:	65.9%

Population with B.A. degree or higher:	30.4%
Median home selling price (2014):	\$450,000
Median household income:	\$64,571

Quality of Life

Violent crime rate (2013):	323 per 100,000 persons
County rank* in California (58 counties):	24th
Average commute time to work (2015):	21.1 minutes

High school drop out rate (2014):	10.7%
Households at/below poverty line (2015):	9.9%

* The county ranked 1st corresponds to the lowest rate in California